

## **COMMUNITY DEVELOPMENT BLOCK GRANT REVOLVING LOAN FUND (CDBG – RLF)**

Successful local development projects depend on effective partnerships. In pursuing their economic goals and objectives, many Wisconsin communities have used the CDBG-ED program to help businesses structure financial packages necessary for start-up or to expand present operations. These loans are repaid directly to the community and may be used to capitalize a Revolving Loan Fund (RLF).

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Within recent years, RLF's have grown dramatically in number and use:

- Over 190 communities are involved in the RLF program.
- These communities have already received over \$66 million from CDBG-ED loan repayments and expect to receive over \$120 million.
- The local RLF loan portfolio now exceeds \$55 million.
- There are more than 1,026 local RLF loans.
- The average local RLF loan is \$53,000.
- Cash reserves available for loans to existing and new business exceeds \$19 million.

### **Community Opportunities**

The Department of Commerce RLF Technical Assistance Program assists communities in the administration of their RLF programs. Site visits are provided by the Department upon request to assist communities with any facet of their RLF program.

Commerce also offers a Revolving Loan Fund Handbook. This includes an "Administrator's Guide" which "walks" the administrator through the process of the creation and capitalizing of a RLF program from marketing, application process, credit evaluation, approvals, to loan closing and documentation, as well as performance monitoring of the loan. It also includes the forms necessary for administration, closing and documentation.

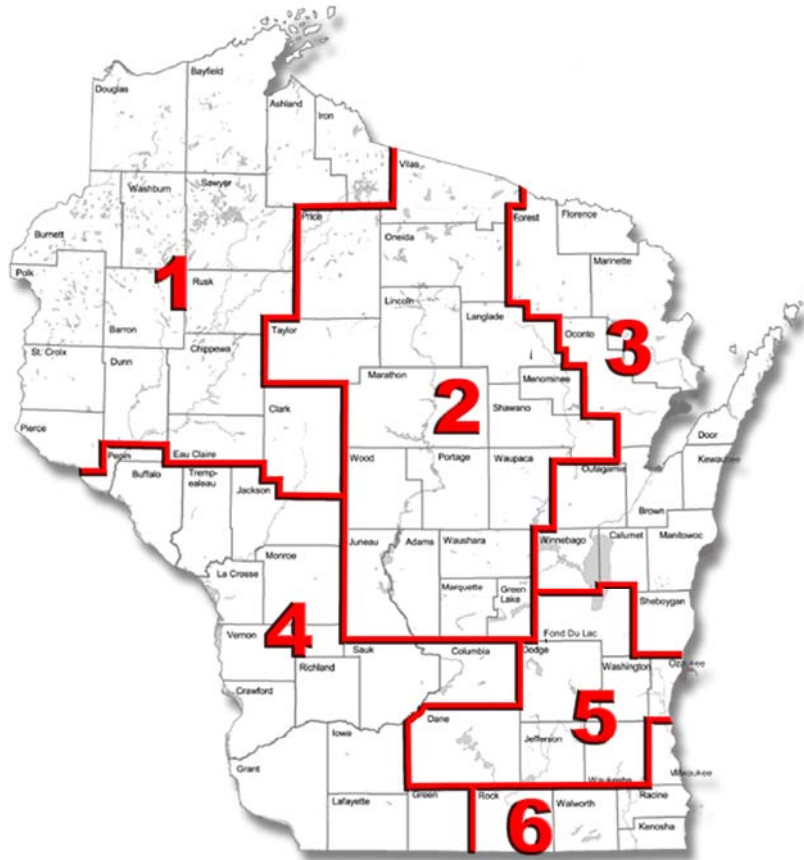
An RLF assists the community in carrying out their community economic development goals and objectives, provides private investment towards the assisted activity, and most importantly creates job opportunities, principally for the benefit of low and moderate persons

### **Business Advantages**

Advantages to businesses are very attractive "tailor-made" loans, which may include deferred payments, and reduced interest rates. These loans are typically smaller loans which can be more efficiently administered at the local level.

Questions regarding the CDBG-ED and the RLF programs should be referred to the local Area Development Managers (see page 2).

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**OTHER FINANCE PROGRAM QUESTIONS . . . . .1-800-HELP BUSIness**